



Form GSOP 1-PIN (04/98)

STATE OF CALIFORNIA
Department of General Services - Office of Procurement

PURCHASE ORDER

Page 1

Purchase Order No. Rev. Date

62307

2/5/2009

Supplier No.	Solicitation No.	Delivery Date	FOB Point	Invoice Terms
112443	57196	As Specified	Destination	
S EDD h T FORMS & SUPPLY WAREHOUSE i o 1733 W SPORTS DR. STE A P SACRAMENTO, CA 95834		C EMPLOYMENT DEVELOP D E-31 h T MIC 52 a T PO BOX 826880 r o SACRAMENTO, CA 94280-0001 g e		
Agency Billing	Agency Purchase Estimate	Purchase Estimate	Revision	
23336	Various	Various		
Agency Contact		Phone	Date Received	
ART JAIME		916-928-7693		

MOORE WALLACE
2295 GATEWAY OAKS DRIVE
SUITE 100
SACRAMENTO, CA 95833
Attn: SHARI REYES X112

Phone: 916-614-3112

Item No.	Quantity	Unit	Commodity Code	Description	Unit Price	Extension
THE GENERAL PROVISIONS FOR NON-IT COMMODITIES ARE HEREBY INCORPORATED BY REFERENCE. THESE GENERAL PROVISIONS CAN BE OBTAINED BY PHONING (916) 375-4400 OR BY ACCESSING OUR WEBSITE AT: www.documents.dgs.ca.gov/pd/modellang/GPnonIT0407.pdf THE FOLLOWING INFORMATION IS PROVIDED FOR AGENCY USE ONLY: PRIME CONTRACTOR: NS SMALL BUSINESS SUBCONTRACTOR TOTAL: \$605,452.50 DVBE SUBCONTRACTOR TOTAL: \$36,327.15						
1	36000	MX	7530-000-0019-1	CHECK (BY THE THOUSAND)	25.9100	932,760.00
* Agency Ref Nbr: E972815 Unemployment Insurance (UI) checks as specified in the attached technical specification #7530-555 of 5 pages and administrative requirement of 6 pages.						
2	10500	MX	7530-000-0019-1	CHECK (BY THE THOUSAND)	26.4900	278,145.00
* Agency Ref Nbr: E972814 Disability Insurance (DI) checks as described in the attached technical specification #7530-555 of 5 pages and administrative requirement of 6 pages.						
Total Value:						1,210,905.00
ATTACHMENTS: THE FOLLOWING ATTACHED DOCUMENTS ARE PART OF THIS PURCHASE ORDER: 1. TECHNICAL SPECIFICATION #7530-555 OF 5 PAGES 2. ADMINISTRATIVE REQUIREMENTS OF 6 PAGES 3. CARTON DESCRIPTION, DIAGRAMS A-C; PALLET DIAGRAM D 4. PALLET SPECIFICATIONS OF 3 PAGES DELIVERY:						

Sales and/or use tax to be extra unless noted above

Buyer	Phone	BOC Number
KATHLEEN SANBORN	916-375-4403	

Department of General Services - Office of Procurement

Form GSOP 2-PIN (04/98)

Page 2 (Last)

Item No.	Quantity	Unit	Commodity Code	Description	Unit Price	Extension
<p>For the purpose of this bid, only bids quoted F.O.B. Destination will be accepted.</p> <p>Further delivery requirements are in the administrative requirements.</p> <p>CHANGE ORDERS: This Purchase Order may be amended, modified, or terminated at any time by mutual agreement of the parties, in writing. Change orders amending, modifying or terminating the Purchase Order, including any modifications of the compensation payable, may be issued only by the State Procurement Officer. All such change orders shall be in writing and issued only upon written concurrence of the supplier. Termination, as that term is used in this section, does not include termination for default of the supplier</p> <p>This Purchase order has been registered into the state contract and procurement registration system (https://www.scprs.dgs.ca.gov/). The registration number is 71000209356419.</p>						

**STATE OF CALIFORNIA
EMPLOYMENT DEVELOPMENT DEPARTMENT (hereafter "EDD")**

**TECHNICAL SPECIFICATION
DISABILITY INSURANCE CHECKS (DE2500CKX) and
UNEMPLOYMENT INSURANCE CHECKS (DE4581CKOC)**

November 12, 2008

DIMENSIONS:

DISABILITY INSURANCE CHECKS (DE2500CKX)

Overall Size: 8-1/2" ($\pm 1/64$ ") wide x 11" ($\pm 1/64$ ") high

Size of Check: 7" ($\pm 1/64$ ") wide x 3-1/2" ($\pm 1/64$ ") high

Size of Check Stub: 1-1/2" ($\pm 1/64$ ") wide x 3-1/2" ($\pm 1/64$ ") high

Size of Top Stub: 8-1/2" ($\pm 1/64$ ") wide x 3-1/4" ($\pm 1/64$ ") high

UNEMPLOYMENT INSURANCE CHECKS (DE4581CKOC)

Overall Size: 8-1/2" ($\pm 1/64$ ") wide x 11" ($\pm 1/64$ ") high

Size of Check: 7" ($\pm 1/64$ ") wide x 3-1/2" ($\pm 1/64$ ") high

Size of Check Stub: 1-1/2" ($\pm 1/64$ ") wide x 3-1/2" ($\pm 1/64$ ") high

Size of Top Stub: 8-1/2" ($\pm 1/64$ ") wide x 1-1/2" ($\pm 1/64$ ") high

PAPER

Paper Requirements:

Paper must be square, and to size specified. Special White Security, Virgin Fiber Only Content Paper with security features as listed below.

1. Paper to include a full chemical sensitization so that attempts to alter the document using a broad attack of falsifying agents such as hypochlorites, acids, alkalis, polar and A-polar solvents, and chlorine-based eradicators, result in a visible staining on the check.
2. Paper must contain a full toner retention coating on the face of the check which enhances Xerox EPS-180 printer toner adhesion and makes toner removal extremely difficult as compared with untreated paper. The coating should be undetectable to the naked eye. This feature also protects against alterations in those areas by resisting toner removal by scraping or scratching. The retention agent must not interfere with the chemical sensitization feature contained in the paper.
3. Paper must contain an anti-static coating which will reduce the paper's static acceptance and retention by twenty percent (minimum).

Technical Specifications:

<u>Characteristic</u>	<u>Tappi Method</u>	<u>Requirement</u>
Basic Weight	T410	24 lb. ($\pm 5\%$)
(Based Upon 17 x 22, 500 sheets)		90 g/m ²

<u>Characteristic</u>	<u>Tappi Method</u>	<u>Requirement</u>
Thickness	T411	4.7 ±0.3 mils
Brightness	T452	78% minimum
Opacity	T425	86% minimum
Tear Resistance	T414	MD 50 grams minimum CD 53 grams minimum
Burst	T403	28 psi minimum
Smoothness, Sheffield (1)	T538	100 - 180
Dirt Count	T437	6 ppm maximum
Dirt Particle Size	T437	0.004" or less diameter
Curl	(2)	(2)
Image Receptiveness	(2)	(2)
Moisture Content	T412	4.0 - 5.0%

- (1) Papers that are too smooth will let errant tone particles lie on its surface and be fused causing spatter or spotting of background. Papers that are too rough will not provide a sharp image.
- (2) Per Xerox EPS 180 Electronic Page Printer paper specifications.

INK:

Background Safety Screen: Check protection inking across the face of the check document.

1. Ink used must meet the stringent requirements of OCR Visible Spectrum technology and conform to U.S. Postal Zip Code Reader's specifications, Pitney Bowes 9 Series and 12 Series Inserters including Document Integrity System, IBML Image Trac II Scanner, Unisys NDP 1825, and Xerox EPS 180 including Document Integrity System.
2. ***The background face of the document (DE4581CKOC) must be a multicolored (blue, green, blue) pantograph printed vertically with the grain direction of the paper in which one color fades into the next color.***

The background face of the document (DE2500CKX) must be a multicolored (green, magenta, green) pantograph printed vertically with the grain direction of the paper in which one color fades into the next color.

The prismatic color variations shall be more difficult to reproduce on color copiers and extremely difficult to duplicate on color printers associated with desktop publishing systems. A yellow band measuring approximately 4-1/2" x 1-3/8" is specifically left for a name and address block. There are five (5) different Pantone Matching System (PMS) ink colors required. Note: EDD will provide the vendor the PMS ink colors when a contract is awarded.

3. **State Seal with OCR ink:** *The California State Seal appearing on the face of the stub (DE4581CKOC) must be screened in blue OCR (reflective) ink.*

The California State Seal appearing on the face of the stub (DE2500CKX) must be screened in green OCR (reflective) ink.

Information in this area will be captured using optical character recognition equipment. Ink and ink density must conform to the requirements of this technology.

4. **Errant ink spotting** is to be less than .005" in diameter at the scan areas of the document, (which includes a one inch left hand margin on the form, address area (yellow) and the MICR Coding area). Errant ink spotting is not to deface document text.

PRINTING:

1. **MICR Coding:** Magnetic (MICR) black ink in MICR band in E-13B Font. All MICR information printed in the MICR band in E-13B Font must be printed in accordance with the ANSI X3.2-1970 and ANSI X9.13-1983. Encoding to consist of account number, routing and transit number (121113423), check number and check digit, from left to right. Successful vendor to contact:

STATE TREASURER'S OFFICE

Attn: John Martinez

Phone (916) 653-0068, for the check digit algorithm to be used.

2. **Numbering (DE4581CKOC):** *Consecutive (check) number to be printed in two (2) places on document. The number printed on the top stub is OCRA-1 font size and style. The number on the check is 3/16" Gothic font size and style. (See Bar Coding for eye-readable number font size and style). Placement per diagram and samples.*

Numbering (DE2500CKX): *The consecutive number on the check is 3/16" Gothic font size and style. (See Bar Coding for eye-readable number font size and style). Placement per diagram and samples.*

Prior to printing each segment of this order, successful vendor to contact:

EMPLOYMENT DEVELOPMENT DEPARTMENT

Document Management

Attn: Art Jaime

(916) 928-7693

Phone for account number, and beginning and ending check numbers.

3. **Bar Coding:** A high-density bar code is applied parallel to the eleven inch (11") document length at the left side. Note: Detailed bar code information will be provided to the vendor when the contractor is awarded.

Barcode placement on this document is critical. Exact placement information will be provided to the successful bidder upon award.

Scanner: Bar codes will be scanned with an AccuSort 20 scanner

4. **Warning Bands (DE4581CKOC):** Bands of text contained on the face of the document which call attention to security features, encouraging verification of document authenticity or discouraging criminal activity, are to be printed in blue (reflex) and green (PMS 335) ink. The tri-colored background of this document changes gradually from darker at top to lighter at bottom.

Warning Bands (DE2500CKX): Bands of text contained on the face of the document which call attention to security features, encouraging verification of document authenticity or discouraging criminal activity, are to be printed in magenta (PMS 233) and green (PMS 335) ink. The tri-colored background of this document changes gradually from darker at top to lighter at bottom.

Banner along top front edge of check to read: (text subject to change)

"VERIFY THE AUTHENTICITY OF THIS TRI-COLOR SECURITY DOCUMENT. THIS IS A WATERMARKED PAPER. HOLD TO LIGHT TO VERIFY."

Banner along the bottom edge of check to read: (text subject to change)

"THE BACK OF THIS DOCUMENT CONTAINS A SECURITY MARK. HOLD AT AN ANGLE TO VIEW."

5. **Back Printing:** Gray ink is to be used on back side of document. The endorsement line is in microprint, a reduced line of type that appears as a solid or dashed image until viewed under magnification, when the image will appear as characters, words, or phrases. Most copiers and scanners, unless those capable of very high dot per inch quality, will see the printing as an indistinguishable solid line. Printing and set up specifications will be provided to successful vendor.
6. If vendor's printing process includes parallel check printing, the paper backer shall have printed on it an A or a B, to designate what printer and packaging equipment it pertains to. This will assist operators in placing printed checks in the correct location. The A or B is to be placed on the paper backer as per printed sample, not to interfere with other required printing.

SECURITY FEATURES:

EDD reserves the right to eliminate the use of any printed security feature listed below. Vendor will be notified in writing if a security feature is to be eliminated.

1. Paper to include a full chemical sensitization so that attempts to alter the document using a broad attack of falsifying agents such as hypochlorites, acids, alkalis, polar and A-polar solvents, and chlorine-based eradicators, result in a visible staining on the check.
2. The paper must contain a true, custom mill produced Fourdrinier watermark (EDD approved). The true watermark cannot be photocopied, removed or easily replicated. Watermark design must be approved by EDD.
3. The reverse of the base paper at the check area only (the lower 8 ½ wide by 3 ½ high area) must contain customized security text and vertical lines of varying or uniform widths, (varying widths preferred), and spacing that make alteration by the cut and paste methodology difficult to achieve without detection. PMS 423, Grey ink 10% screened on security text and vertical lines. The customized text and vertical lines are not to be printed above the check area, to obtain a clear image when scanning with the IBML Image Trac II Scanner (Customized text to be approved by EDD).

4. The paper may contain invisible (fluorescent) security fibers. The security fiber shall not interfere with scanning equipment.
5. The check background must have a printed copy-ban and/or void pantograph security tint. Warning messages hidden in decorative printed pantograph backgrounds which provide a wide range of effective protection against color copiers or scanner/desktop publishing fraud. This multitone "void" pantograph technology runs horizontally across the document and the word "void" appears horizontally throughout the document when copied, providing protection on the highest number of setting alternatives on today's sophisticated commercial copiers. The "void" words are to be spaced from each other to be legible and not look like a pattern. The "void" warning messages will not appear readily visible to the eye on the original document. The test methodology to be utilized will be to determine the highest number of "void" message appearances throughout the document when copied using a wide variety of color copier settings.
6. Paper backer will contain an artificial (state seal) watermark pattern. The symbols on the document must be in white transparent ink and are only visible to the human eye when viewed at a 45-degree angle. The watermark must not have the capability to be photographically reproduced, scanned by a computer scanning device, or reproduced on a color copier.
7. The endorsement line is in microprint text, a reduced line of type that appears as a solid or dashed image until viewed under magnification, when the image will appear as characters, words, or phrases. Most copiers and scanners, unless those capable of very high dot per inch quality, will see the printing as an indistinguishable solid line. (Microprint text to be approved by EDD.)
8. Serial (or static) numbers must be printed using an ink which contains black and red component. The red component must penetrate through the paper fibers so that the number appears in mirror-image on the back of the document. The black component is visible on the front and may be surrounded by a red halo. These numbers are virtually impossible to remove without noticeable disruption of the paper surface due to the penetrating nature of the red component.

PERFORATION:

Three micro or laser perforations must be tight and suitable for use with the listed processing equipment. Ruptured perforations will not be tolerated. Of equal importance, is the clean tear of all perforations without their being pre-folded.

DISABILITY INSURANCE CHECKS (DE2500CKX)

1. *3-1/4" \pm 1/64" from top and parallel to the top 8-1/2 inch edge to create a 8-1/2" stub for claimant. This perforation will tear clean without folding.*

2. *3-1/2" \pm 1/64" from bottom to create a 7" x 3-1/2" check document, and 1-1/2" x 3-1/2" stub on the left side of check document.*

3. *1-1/2" \pm 1/64" from the left edge and 3-1/2" from the bottom of the check document creates the stub.*

Remainder is a 8-1/2" x 4-1/4" questionnaire.

UNEMPLOYMENT INSURANCE CHECKS (DE4581CKOC)

1. 1-1/2" \pm 1/64" from top and parallel to the top 8-1/2 inch edge to create a 8-1/2" stub for claimant. This perforation will tear clean without folding.

2. 3-1/2" \pm 1/64" from bottom to create a 7" x 3-1/2" check document, and 1-1/2" x 3-1/2" stub on the left side of check document.

3. 1-1/2" \pm 1/64" from the left edge and 3-1/2" from the bottom of the check document creates the stub.

Remainder is a 8-1/2" x 6" questionnaire.

**STATE OF CALIFORNIA
EMPLOYMENT DEVELOPMENT DEPARTMENT
(hereafter "EDD")**

**ADMINISTRATIVE REQUIREMENTS
DISABILITY INSURANCE CHECKS (DE2500CKX) and
UNEMPLOYMENT INSURANCE CHECKS (DE4581CKOC)**

November 12, 2008

DEMONSTRATION OF ABILITY:

The nature of the information contained on and the processing of the Insurance benefit check is of critical importance to the State of California and the claimants of California Unemployment and Disability Insurance benefits. Therefore, the supplier must demonstrate, to the satisfaction of the State, their ability to provide a reliable product by submitting the following documentation on company letterhead:

- Establish that their company has successfully produced and sold similar custom check documents by providing a list of at least three government agency or private enterprise users. Documentation is to be included in the supplier's submitted bid (All references must include agency/business name, address, phone number, contact person, and volume produced for each purchase order).
- Demonstrate that their product has performed reliably in a Xerox, Pitney Bowes, Unisys and IBML operating environments and that their product will perform reliably on the equipment listed below. Documentation is to be included in the supplier's submitted bid (All references must include agency/business name, address, phone number, contact person, and volume produced for each purchase order).
 - Xerox EPS 180 Electronic Page Printer (with AccuSort 20 scanner) including Document Integrity System
 - Marking Detection equipment (markings .005" or greater show as a scannable bit)
 - Pitney Bowes 9 Series Inserter including Document Integrity System / Microscan 911 scanner
 - Pitney Bowes 12 Series Inserter including Document Integrity System / Microscan 911 scanner
 - Imaging Business Machines Limited (IBML) Image Trac II Scanner (to scan front / back of DE4581 form)
 - Unisys NDP 1825 Scanner - Document Processor (State Treasurer's Office)
 - Unisys Source NDP - Document Processor (State Treasurer's Office)
- Provide evidence/documentation including samples of a similar custom check production run of 1,000,000 checks or more within the last twelve (12) months.

BACK-UP-FACILITY:

For purposes of this solicitation, the supplier must provide a back-up plan to be used to fulfill the order in the event that a disaster or other occurrence which renders the primary facility inoperable. Documentation is to be included in the supplier's submitted bid.

PAPER

Paper Requirements:

For the purpose of this solicitation, the supplier must provide a plan, on company letterhead, for the following requirements and submit with their bid:

1. The described and specified controlled security paper shall be manufactured, sold and delivered only to the awarded contractor.
2. All security paper resulting in scrappage, waste trim, improper runs, misprints, or spoiled documents shall be shredded. The shredder must be at the press site and working at all times during production. The shredded scrap shall be removed by vacuum tube system to the disposal or bailing area. Mill rolls and mill cores not suitable for shredding, shall be packed into cartons, sealed, and moved to a secured storage area for disposal by burning or other suitable means approved by a representative of EDD.

3. Immediately after manufacturing and until delivery to the chosen contractor, all security paper stock shall be accounted for and maintained in a secured storage area.

REPRODUCTION MASTER FORMAT SETUP:

Contractor to compile a master format, per the attached specifications, and form master formats provided by EDD.

PROOF:

A proof must be provided within 10 working days after receipt of purchase order.

The awarded supplier is to contact:

Attn: Art Jaime, MIC 38
Document Management Group
EMPLOYMENT DEVELOPMENT DEPARTMENT
P.O. Box 826880
Sacramento, CA 94280-0001

The supplier is to provide an e-mail address to the buyer for quick responses in communication, if available.

The supplier shall not proceed with any production phase until receipt of written final approval by EDD's Publishing and Distribution Services Section. Request for additional proof(s), approval and confirmation via electronic mail is acceptable.

NOT NEGOTIABLE TEST STOCK:

- 1A. A quantity of 10,000 "NOT NEGOTIABLE" test stock samples of both the DI and UI checks must be provided within ten (10) working days of proof approval.
- 1B. **A quantity of 10,000 NOT NEGOTIABLE test stock checks is to be printed and delivered with the first delivery of each scheduled shipment of each check (DI and UI).** There will be twelve (12) batches of NOT NEGOTIABLE TEST stock checks required for this order, one for each scheduled shipment. **NOTE: Test stock is to be included in the cost of the regular stock.**
- 1C. **Test Carton Labels:**
DE4581CKOC TEST:
 - *Carton label on test stock shall have TEST printed after the form number (DE4581CKOC TEST) with revision date as it appears on the back of the check.*
 - *Stock item code of the TEST stock is 7540-145-8140. Note: The stock item code for the regular stock is different.*
 - *EDD Requisition number*
 - *Beginning and ending serial numbers.*
DE2500CKX TEST:
 - *Carton label on test stock shall have TEST printed after the form number (DE2500CKX TEST) with revision date as it appears on the back of the check.*
 - *Stock item code of the TEST stock is 7540-125-0024. Note: The stock item code for the regular stock is different.*
 - *EDD Requisition number*
 - *Beginning and ending serial numbers.*

Quality Control:

1. The successful supplier is to provide written procedures of quality control measures taken to ensure requirements are met. Written quality assurance procedures are to be given to EDD contract manager upon delivery of test stock.
2. The supplier must comply with all of the manufacturer's specifications for printing on the Xerox EPS 180 Electronic Page Printers. The supplier is to provide a draft testing plan with their submitted bid. Upon award of this solicitation, the awarded supplier and EDD will meet and mutually agree upon a testing plan. Documents will be tested when received, any deviation will cause rejection of entire shipment.

3. Verbal approval followed by written confirmation of test will be provided within seven (7) working days. If the awarded supplier fails the tests, supplier is to work with EDD to perform a second test. The State reserves the right to cancel the resulting purchase order due to failed testing.

4. Quality control will be performed on each production run (order) of documents. Documents will be tested and processed on the following equipment:

Equipment:

- Xerox EPS 180 Electronic Page Printer (with AccuSort 20 scanners) including Document Integrity System
- Marking Detection equipment (markings .005" or greater show as a scannable bit)
- Pitney Bowes 9 Series Inserter including Document Integrity System / Microscan 911 scanner
- Pitney Bowes 12 Series Inserter including Document Integrity System / Microscan 911 scanner
- IBML Image Trac II Scanner (to scan front / back of DE4581 form)
- Unisys NDP 1825 Scanner - Document Processor (State Treasurer's Office)
- Unisys Source NDP - Document Processor (State Treasurer's Office)

Security:

1. Plates, negatives, proofs or other copies of check documents shall be stored in a locked security area at all times other than during preparation or printing.
2. The contractor shall produce only one (1) copy of each serially numbered check. When more than one (1) serially numbered check is produced due to printing error or procedure, the excess serially numbered copies shall be immediately destroyed at the press or collator site by the use of a shredding machine located at the press and collator sites.
3. All documents not part of the finished product and those produced for test samples shall have the words "Not Negotiable" printed thereon.
4. During production and storage by the contractor prior to delivery, all checks and special paper not located at the press site shall be kept in secured storage. Security paper and product shall not be stockpiled at the press site or left unattended at any time except in the secured storage.
5. The described and specified controlled security paper shall be manufactured, sold and delivered only to the contractor chosen by bid.
6. All security paper resulting in scrappage, waste trim, improper runs, misprints, or spoiled documents shall be shredded. The shredder must be at the press site and working at all times during production. The shredded scrap shall be removed by vacuum tube system to the disposal or bailing area. Mill rolls and mill cores not suitable for shredding, shall be packed into cartons, sealed, and moved to a secured storage area for disposal by burning or other suitable means approved by a representative of EDD.
7. The press shall not be left unattended during production of check documents.
8. Checks are to be carton packed immediately after being printed or returned to the secured storage area if additional processing is required.
9. Cartons containing printed check documents are to be sealed immediately after being packed. This includes temporary partially filled cartons.
10. **Unemployment Insurance Checks (DE4581CKOC): A label printed in blue ink shall be securely affixed to the outside of each carton.**

Disability Insurance Checks (DE2500CKX): A label printed in green ink shall be securely affixed to the outside of each carton.

Label content is specified in Packaging, Labeling and Palletizing Section following. **Cartons will be numbered consecutively, and no carton shall display the title of the documents contained therein.**

11. Upon completion of the contract and receipt of the contract price, the contractor shall render the plates and negatives used for the printing of check documents unusable and certify in writing to the Chief of EDD's Publishing and Distribution Services Section that this has been accomplished.
12. During the production of check documents the Chief of EDD's Publishing and Distribution Services Section has the right to have one or more representatives present at the contractor's premises during the period(s) of production. The contractor agrees to make arrangements for such representatives(s) to enter or leave the contractor's premises during the period(s) of productions.
13. If successful supplier is to produce check documents outside the State of California, the following will be at the supplier's expense:
 - a. Round trip airfare for two from Sacramento, California to production location.
 - b. Per diem in accordance with current State of California out-of-state rates, plus lodging and car rental (if needed) for up to two (2) weeks. (State rates can be found at <http://www.dpa.ca.gov/personnel-policies/travel/hr-staff.htm>)

PACKAGING, LABELING AND PALLETIZING:

Documents must be packaged and palletized according to the following specifications.

Carton Description: (See Diagram A)

<u>Description</u>	<u>Size</u>	<u>Test</u>
Die/Cut 2 ply laminated pad	11 x 8-1/2	200C
Die/Cut 1-2-3-4 Lock Bottom	11-1/8 x 8-5/8 x 12-1/4	200C
Die/Cut 1-2-3-4 Lock Top	11-3/8 x 8-7/8 x 3-1/4	200C
Top & Bottom Pallet Caps	47-1/2 x 35-1/2 x 4	200C
Michelman Coated		

Alternate Carton Description: (See Diagram B)

<u>Description</u>	<u>Size</u>	<u>Test</u>
Die/Cut 2 ply laminated pad	11 x 8-1/2	200C
(Tray)		
Die/Cut 1-2-3-4 Box	11-1/8 x 8-5/8 x 12-1/4	200C
Die/Cut Bottom Cover	11-3/8 x 8-7/8 x 3-1/2	200C
Top & Bottom Pallet Caps	47-1/2 x 35-1/2 x 4	200C
Michelman Coated		

Alternate Carton Description: (See Diagram C)

Description provided on attachment Diagram C.

Size dimensions to be consistent with Diagrams A and B.

Test fiber board to be consistent with Diagrams A and B.

Placement in Carton: Documents are to be packaged 2,000 per carton and to be placed in carton check side face up with the lowest number document on the top to feed first. The carton shall have no slack space that will allow crushing or distortion when palletized or when pallets are double stacked.

Label:

Unemployment Insurance Checks (DE4581CKOC): *Each carton shall display an outer label printed in blue ink.*

Disability Insurance Checks (DE2500CKX): *Each carton shall display an outer label printed in green ink.*

Each carton shall display an outer label bearing:

- The form number (DE 4581CKOC) with revision date as it appears on the back of the check
- Stock item code of the document (7540-145-8126)
- EDD requisition number
- The State purchase order number and
- The beginning and ending serial numbers

Note: Label must display all the information listed above. Incomplete labeled shipments are subject to refusal.

Cartons will be numbered consecutively, and no carton shall display the title of the documents contained therein.

Seal: Cartons must be wrapped 360 degrees around top and bottom of carton with reinforced tape. This tape seal will be ruptured only when access to the check documents is necessary by authorized EDD representatives.

Pallet: (See Diagram.D) Cartons to be placed on modified Type 2 (State of California Specification #3990-01A-01) pallets that are 40" by 48" dual stringer four way entry construction. The pallets surface to be 3/4" solid construction grade plywood to firmly support the cartons.

Palletizing: The cartons are to be placed in sequential order with the highest carton number on the bottom tier. There are to be sixteen (16) cartons per tier, stacked four (4) tiers high, for a total of sixty-four (64) cartons per pallet. Above Top Cap and between each tier of cartons, a 200C test fiber board sheet, size 47-1/2" x 35-1/2" is to be inserted to further reduce unequal weight pressures on the cartons. Carton labeling is to face outward as to be easily read from any angle. The pallets are to be sealed top and bottom with caps and wrapped in five (5) mil plastic sheets to seal out moisture. **Plastic sheet wrap must secure cartons to pallet.** The top and bottom caps will be water and moisture proof (waxed).

Bill of Lading/Packing List:

DGS purchase order number and EDD Requisition Number to appear on bill of lading and packing list.

Delivery Schedule:

Delivery dates as specified are mandatory but may change at EDD's discretion, at no additional cost. Each delivery must have a separate packing slip that matches the shipment precisely. Request, approval and confirmation via electronic mail is acceptable.

Unemployment Insurance checks:

- 1.) 3,072,000 on 4-14-2009
- 2.) 3,072,000 on 6-16-2009
- 3.) 3,072,000 on 8-26-2009
- 4.) 3,072,000 on 12-22-2009
- 5.) 3,072,000 on 2-25-2010
- 6.) 3,072,000 on 4-28-2010
- 7.) 3,072,000 on 6-30-2010
- 8.) 3,072,000 on 8-25-2010
- 9.) 3,072,000 on 10-20-2010
- 10.) 3,072,000 on 12-15-2010
- 11.) 3,072,000 on 2-23-2011
- 12.) 2,208,000 on 4-26-2011

A total of 36,000,000.

Disability Insurance checks:

- 1.) 1,500,000 on 5-5-2009
- 2.) 1,500,000 on 8-4-2009
- 3.) 1,500,000 on 12-2-2009
- 4.) 1,500,000 on 3-3-2010
- 5.) 1,500,000 on 6-2-2010
- 6.) 1,500,000 on 9-1-2010
- 7.) 1,500,000 on 12-1-2010

A total of 10,500,000

This document is subject to revision, do not manufacture and store partial or complete orders. If a copy change is made, proofing and testing criteria must be followed as previously outlined.

NOTE: Extra scheduled shipments to replace defective stock shall be at supplier's expense.

SHIPPING REQUIREMENTS:

- Whether shipped by common carrier or company truck, the **trailer(s) must be sealed**. Seal is to be broken only by an EDD employee when it reaches delivery location.
 - Pallets cannot be top loaded
 - Warehouse is to be notified 24 hours prior to shipping
- (Note: The following must appear on and/or are to be attached to the Bill of Lading.)

To schedule an appointment for delivery please Contact - Frank Stegeman at (916)928-5903.

Please call during business hours, Monday – Friday,
7:00 a.m. to 3:30 p.m. (except on holidays).

All Shipments must give the delivery warehouse a 24hr notice before leaving supplier's place of business in route for delivery. Missed appointments must be rescheduled. Deliveries without an appointment may result in partial or total refusal of delivery.

SHIP TO ADDRESS:

EDD Forms Warehouse
1733W Sports Drive, Suite A
Sacramento, CA 95834

QUALITY ASSURANCE/REIMBURSEMENT:

1. Every document must be properly printed and be in consecutive order. The supplier must guarantee that there be no missing or duplicate numbered documents. Shipments received with missing and/or non sequentially numbered documents will not be accepted.
2. The cost of printed checks that have to be voided at EDD due to Contractor error is to be reimbursed to EDD by the supplier.
3. At EDD's discretion, the cost in personnel time needed to reconcile sequence of checks due to contractor error is to be reimbursed to EDD by the supplier (An hourly rate for this reimbursement will be provided upon award of solicitation).

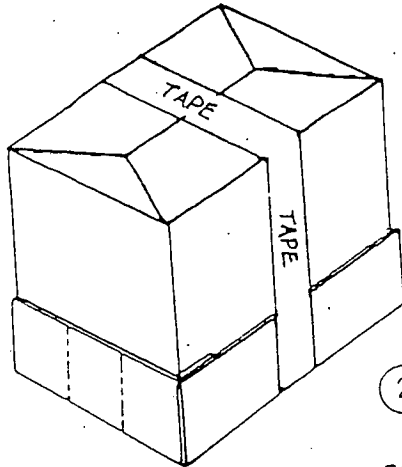
AMENDMENTS AND VARIATIONS:

EDD reserves the right to modify the format of the *DE 4581CKOC* or the *DE2500CKX* prior to each segment print, at no additional cost, for a total of up to four (4) format/ text changes over the course of this contract. **The supplier shall not proceed with any production phase until receipt of written final approval by EDD's Publishing and Distribution Services Section.**

NOTE: The State reserves the right to amend the total amount of checks on this order +/- (plus or minus) 20% at the quoted unit price and to increase the total dollar amount of the contract up to 30% without re-bidding. EDD shall provide the vendor written notification of the reduction or addition to the order at least 30 days prior to the last production run on the order, or a mutually agreed notification lead time if less than 30 days prior to the last production run on the order.

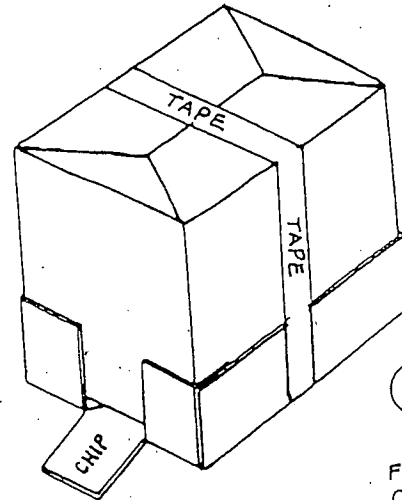
CARTON DESCRIPTION DIAGRAMS A,B,C, AND D

CARTON DESCRIPTION DIAGRAM A



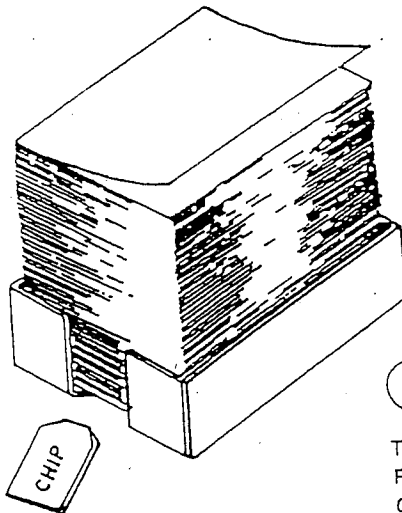
2

FORMS OFF
PALLET BEFORE
OPENING ACCESS.



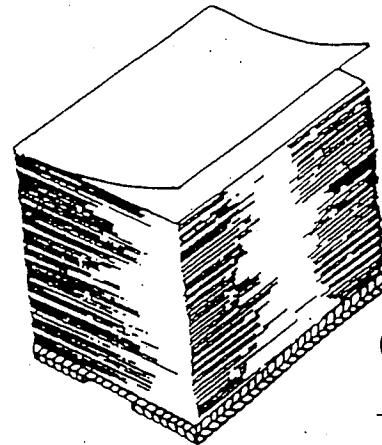
3

FORMS AFTER
OPENING ACCESS.



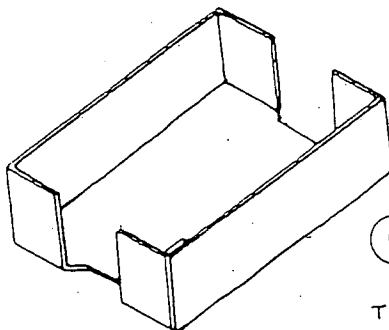
4

TOP OF CARTON
REMOVED. ACCESS
CHIP TORN AWAY
AND DISCARDED.



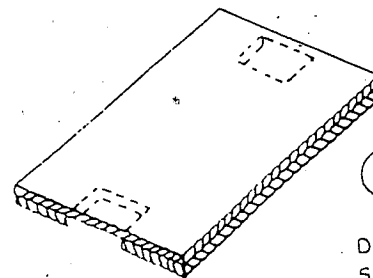
5

TRAY REMOVED



6

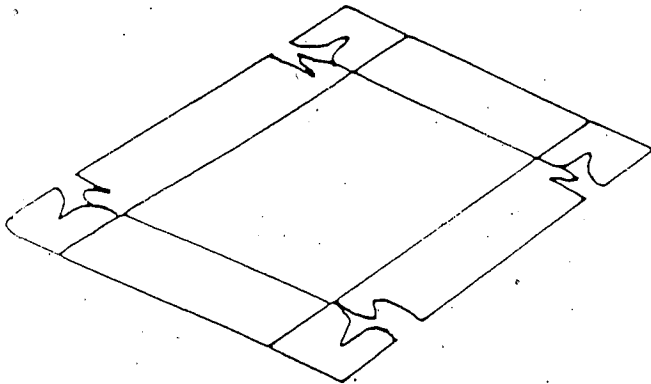
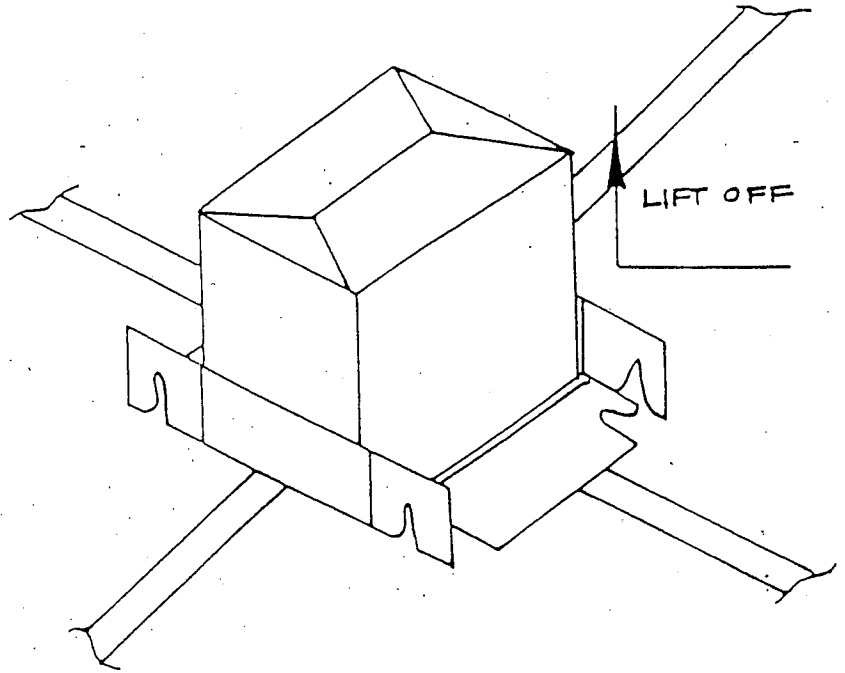
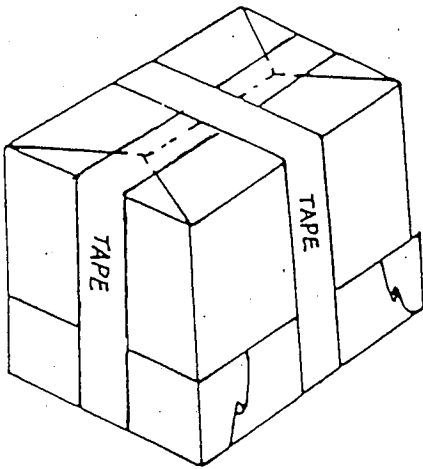
TRAY SHOWS FINGER
NOTCH ON TWO SIDES.



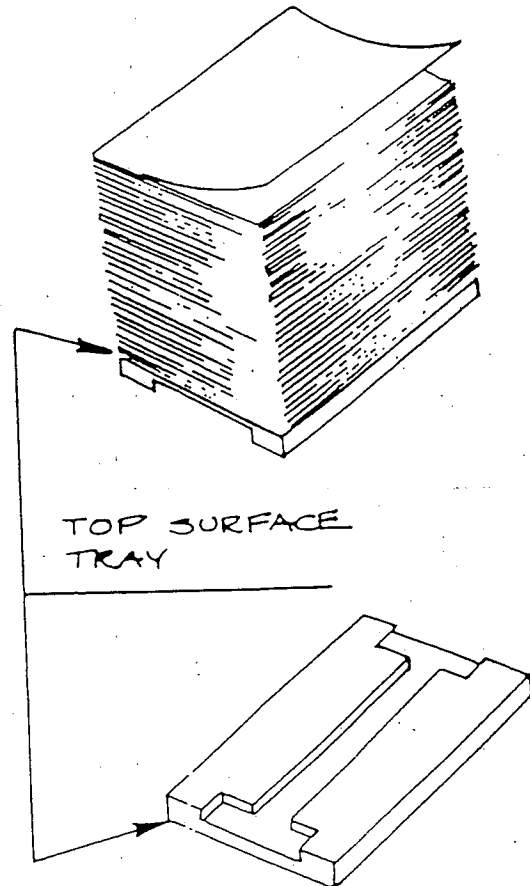
7

DOUBLE SHIM,
SHOWING FINGER
NOTCH ON TWO
SIDES OF LOWER
SHIM.

ALTERNATIVE CARTON DESCRIPTION
DIAGRAM B



BOTTOM COVER LAYOUT



TOP SURFACE
TRAY

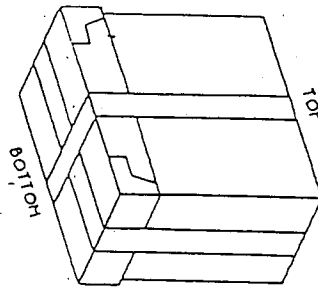
ALTERNATE CARTON DESCRIPTION

DIAGRAM C

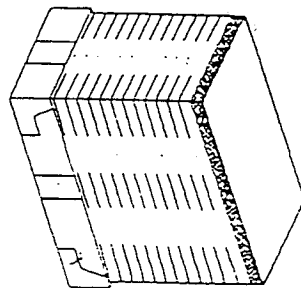
CUSTOMER USAGE SCENARIO OF E-Z LOAD SYSTEM

(IABF & SD - L. MCCARTNEY, R. WAGGY)
5/4/93

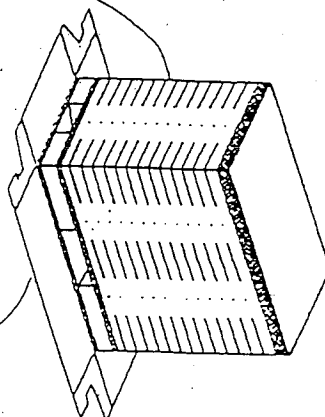
CUT SECURITY TAPE
AND LIFT OFF REUSABLE
SLEEVE.



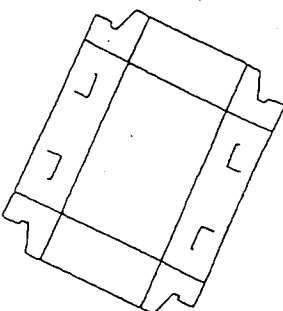
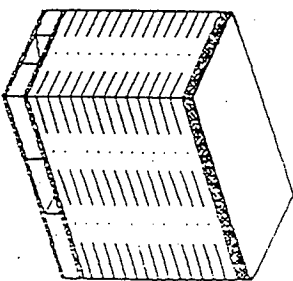
RELEASE INTERLOCKS ON
REUSABLE LID TO ACCESS
FORMS ON FOUR WAY
E-Z LOAD PAD



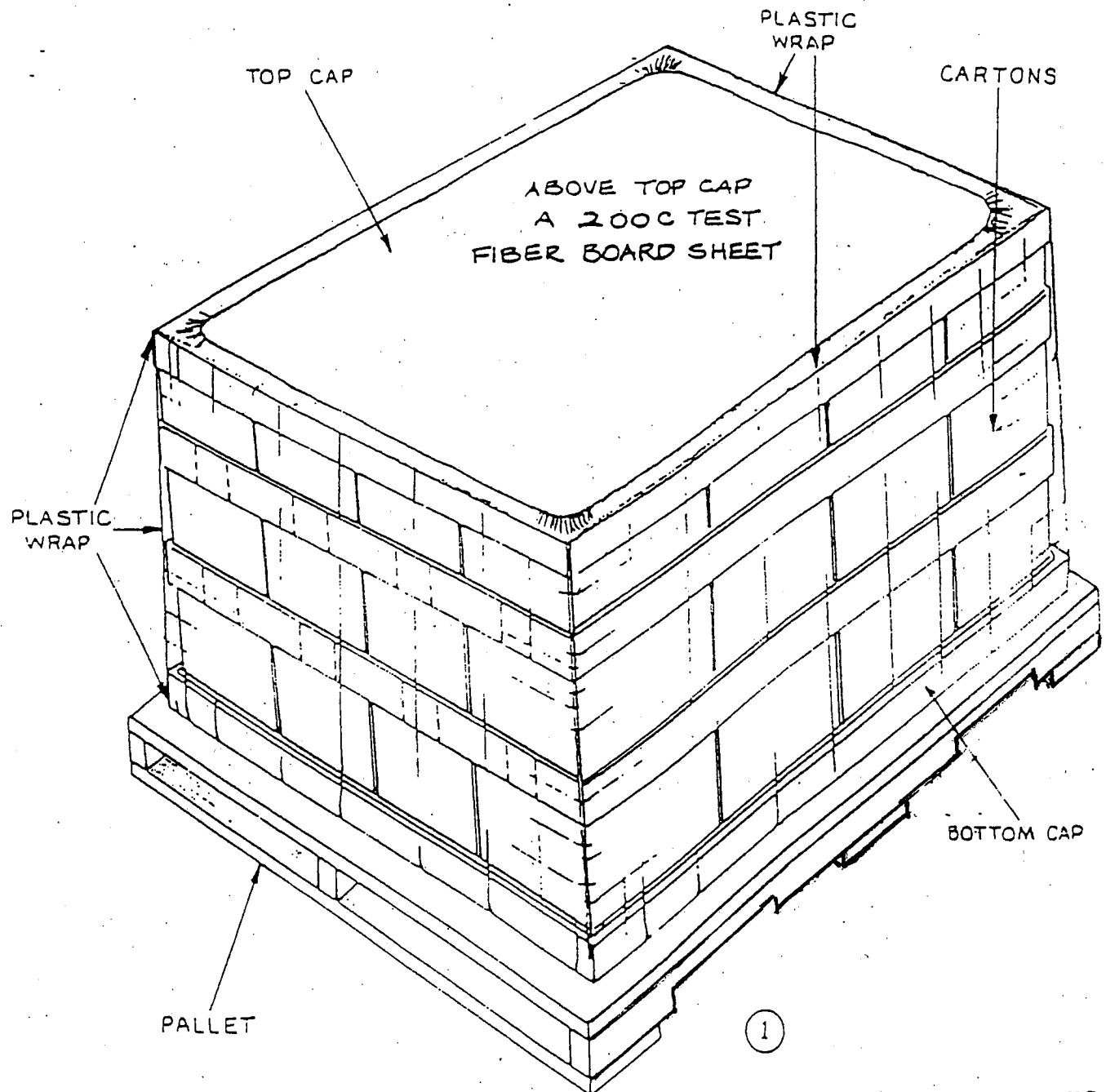
REMOVE FORM PROTECTOR AND
LIFT FORMS VIA E-Z LIFT ASSISTS
FOR PLACEMENT INTO LASER PRINTER.
E-Z LIFT PAD IS SIZED TO BE LOADED
WITH FORMS INTO PROCESSOR.



E-Z LOAD PAD WITH E-Z LIFT ASSIST
PREVENTS MUTILATION OF FORM EDGES
AND PERMITS FEEDING OF 100% OF
LOADED FORMS. BOTH THE E-Z LOAD
PAD AND THE FORMS PROTECTOR ARE
STURDILY CONSTRUCTED FOR REUSE
AND DUE TO THE VERTICAL CENTERING
OF THE E-Z LIFT ASSISTS, NEITHER
THE FORMS MANUFACTURER NOR PRODUCT
END USER CAN REVERSE THE PAD,
AS IS POTENTIALLY POSSIBLE WITH SOME
COMPETITIVE PADS WITH 'RECESSED'
CUT-OUTS EXTENDING TO EXTERIOR OF
PAD.



STATE OF CALIFORNIA
PALLET SPECIFICATIONS
DIAGRAM D



FORMS ON PALLET, SHOWING TOP
AND BOTTOM CAPS OVER AND UNDER
CARTONS, PLASTIC WRAP OVER ALL

STATE OF CALIFORNIA SPECIFICATION PALLETS, WOODEN

1 SCOPE

This specification covers pallets intended for use with low lift pallet trucks or forklift trucks.

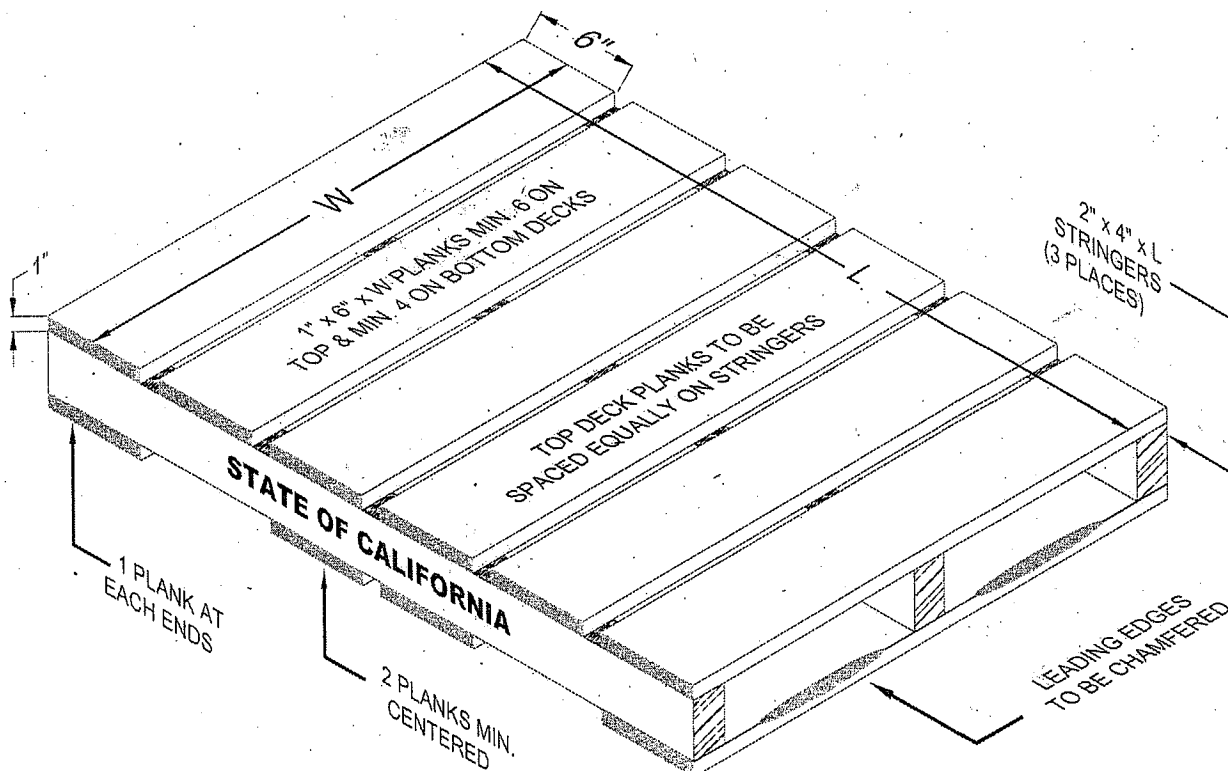
2 SPECIFICATION AND STANDARDS

Specifications and standards referenced in this document in effect on the opening of the Invitation for Bid form a part of this specification where referenced.

3 REQUIREMENTS

3.1 Material

The pallets shall be constructed from nominal size standard or better (West Coast Lumber Inspection Bureau, Standard Grading Rules for West Coast Lumber) grade Douglas Fir, Hemlock, Larch or Hem-Fir. The stringers shall be S4S and the decking S4S or S1S2E (re-



**FIG. 1 - TYPE 2
WOODEN PALLET**

sawed) with no edge knots. Sawed side is to be assembled to the inside of the pallets. Fastening shall be accomplished with 2¼ inch (+1/16 inch) 7 penny flat head drive screws (helical threaded nail) or 2¼ (+1/16 inch) #10 wire gauge annular ring nails as recommended in Specifications and Grades for Warehouse. Permanent or Returnable Pallets of West Coast Woods as published by the National Wooden Pallet and Container Association (Specifications and Grades, NWPCA).

3.2 Non-Standard Duty-Cycle Pallets

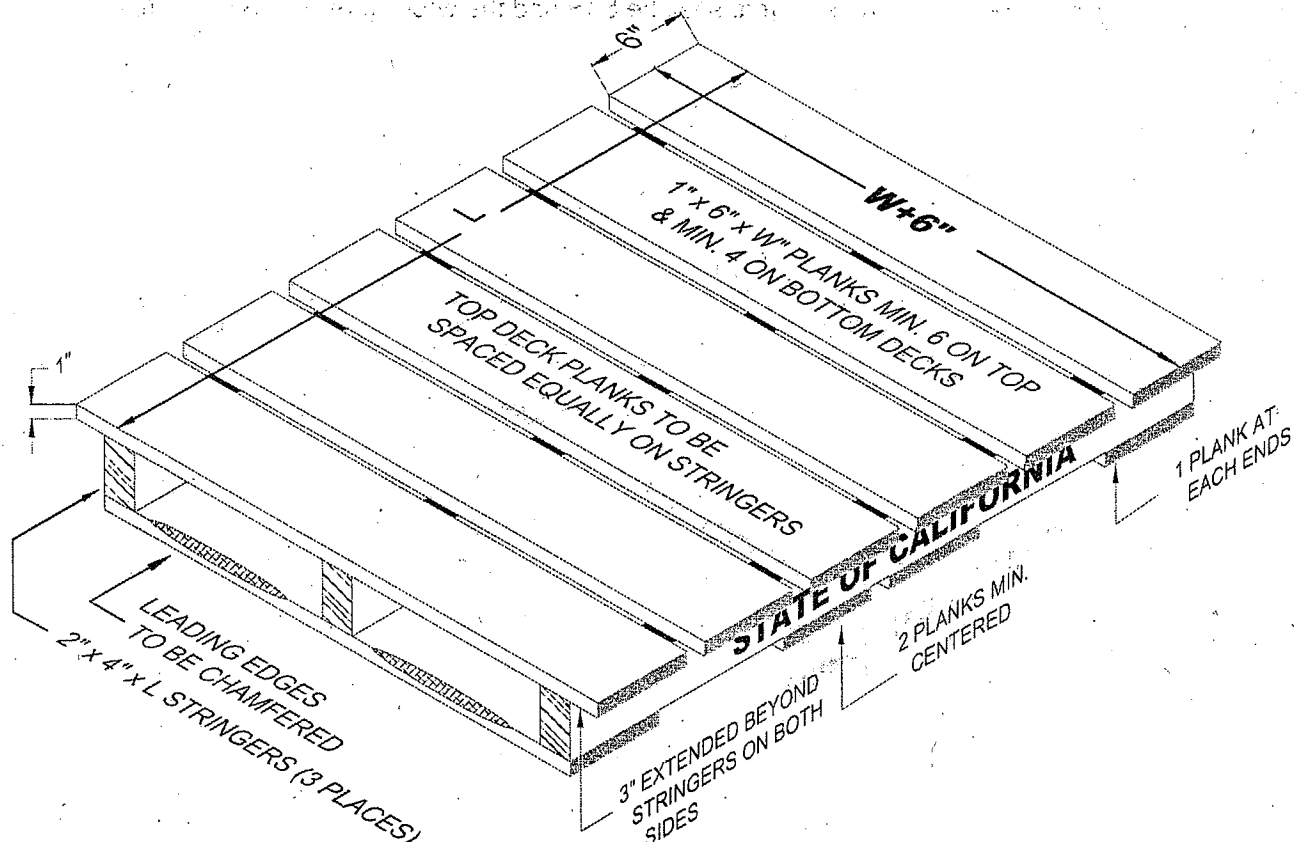
When specifically requested by the user, pallets may be manufactured using pine, oak or ash woods.

3.3 Construction

Pallet type and construction shall comply with Specifications and Grades, NWPCA. The pallets shall be Grade "Quality" (QAL).

The decking shall be secured with 3 nails or screws at each surface of contact with the stringer. Nails shall not be within ½ inch of deck-board edges or another nails.

All leading and outside edges of the bottom deck shall be chamfered. The chamfers shall be at least 12 inches long and shall be cut on an approximate 35 degree angle to the face so as to leave an edge adjacent to the chamfer not less than ¼ inch nor more than ½ inch from the outer



**FIG. 2 - TYPE 4
SINGLE WING WOODEN PALLET**

edge of the deck-board. The chamfer shall extend to within 3 inches of the stringers. Pallet configuration shall comply with illustration A.

COMMONLY USED PALLET TYPES & SIZE			
SIZE	TYPE	TOP DECK	BOTTOM DECK
1	2 (Fig. 1)	42"L x 36"W Six 1" x 6" x 36" deck-boards, spaced evenly along the pallet width	42"L x 36"W Min. Four 1" x 6" x 36" boards. One placed each end of the stringers Two at center of the stringers
2	2 (Fig. 1)	42"L x 42"W Six 1" x 6" x 42" deck-boards, spaced evenly along the pallet width	42"L x 42"W Min. Four 1" x 6" x 42" boards. One placed each end of the stringers Two at center of the stringers
3	2 (Fig. 1)	44"L x 44"W Six 1" x 6" x 44" deck-boards, spaced evenly along the pallet width	44"L x 44"W Min. Four 1" x 6" x 44" boards. One placed each end of the stringers Two at center of the stringers(Fig. 1)
4	2 (Fig. 1)	45"L x 36"W Six 1" x 6" x 36" deck-boards, spaced evenly along the pallet width	45"L x 36"W Min. Four 1" x 6" x 36" boards. One placed each end of the stringers Two at center of the stringers
5	2 (Fig. 1)	46"L x 44"W Six 1" x 6" x 44" deck-boards, spaced evenly along the pallet width	46"L x 44"W Min. Four 1" x 6" x 44" boards. One placed each end of the stringers Two at center of the stringers
6	2 (Fig. 1)	48"L x 48"W Six 1" x 6" x 48" deck-boards, spaced evenly along the pallet width	48"L x 48"W Min. Four 1" x 6" x 48" boards. One placed each end of the stringers Two at center of the stringers
Note: SIZE 1, TYPE 4 - has a single wing applied to top deck.			
1	4 (Fig. 2)	42"L x 36"W Six 1" x 6" x 36" deck-boards, spaced evenly along the pallet width with 3" wings extending beyond the stringers outboard faces	42"L x 30"W Min. Four 1" x 6" x 36" boards. One placed each end of the stringers, Two at center of the stringers

4 SAMPLING AND INSPECTION

This commodity will be sampled and inspected for compliance to this specification as deemed necessary. Sampling and inspection by attributes will be in accordance with ANSI/ASQ Z1.4 1993, Sampling Procedures and Tables for Inspection by Attributes. An inspection lot is defined as one delivery to one agency at one time.

4.1 Workmanship

The pallets shall be free from defects as outlined under Grade "Quality" (QAL) in the "Specifications and Grades", NWPCA.

5 MARKING

Each pallet shall be marked (two places), "STATE OF CALIFORNIA". Marking shall be easily readable, in black letters and on outboard faces of stringers.